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IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

PSI CORPORATION (f/k/a/ FRIENDLYWAY  
CORPORATION, f/k/a BIOFARM, INC.),

Plaintiff,

vs.

ALEXANDER VON WELCZECK,  
HENRY LO, MICHAEL DRAPER,  
and FRIENDLYWAY AG,

Defendants.

FRIENDLYWAY, INC., KARL  
JOHANNISMEIER, PACIFIC CAPSOURCE,  
INC., and DERMA PLUS, INC.,

Nominal Defendants.

Case No. C 07-02869-SBA

**NOTICE OF SETTLEMENT**

PLEASE TAKE NOTICE that Plaintiff PSI Corporation has reached a settlement in principle with the Defendants Alexander von Welczeck, Henry Lo, Michael J. Draper, Derma Plus, Inc. and Karl Johannismeier. Plaintiff anticipates submitting a Request for

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1 Dismissal pursuant to Rule 41(a)(2) of the Federal Rules of Civil Procedure as soon as  
2 the settlement documents are finalized.

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4 Dated: September 24, 2007

COZEN O'CONNOR

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6 By: /s/Daniel D. Harshman

7 Daniel D. Harshman  
8 Attorneys for Defendant  
9 PSI CORPORATION

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